

Mahfouz has sued or threatened to sue at least 36 times against individuals in England who have linked bin Mahfouz to terrorist financing and activities.

"Alms for Jihad" reaches back into history, particularly into Sudan where much of the activities of fundamentalist Islamist groups found their origins, and traces them to the modern-day struggle against extremist forces around the world. We cannot understand the current war on terror, which extends far beyond the terrible events of September 11, without examining the chronology and details of this issue.

I have enclosed the author's response to the lawsuit, and encourage our colleagues to obtain and read this important book.

SAUDI BILLIONAIRE VS. CAMBRIDGE
UNIVERSITY PRESS: NO CONTEST

On 3 April 2007 Kevin Taylor, Intellectual Property Manager for the Cambridge University Press (CUP), contacted Millard Burr and myself that the solicitors for Shaykh Khalid bin Mahfouz, Kendall Freeman, had informed CUP of eleven "allegations of defamation" in our book *Alms for Jihad: Charities and Terrorism in the Islamic World* and requested a response. On 20 April CUP received our seventeen page "robust defence", but it soon became apparent that CUP had decided not to defend *Alms for Jihad* given "knowledge of claims from previous litigation" and that "the top-line allegations of defamation made against us by bin Mahfouz are sustainable and cannot be successfully defended . . . certainly not in the English courts, which is where the current action arises." Of the eleven points of alleged defamation "we [CUP] could defend ourselves against some of his individual allegations . . . which, as you say could hardly be deemed defamatory on its own," but on pp. 51-52 where you use the phrase "The twenty supporters of Al Qaeda" followed by the Golden Chain references . . . is defamatory of him under English law." The Golden Chain was a list of twenty wealthy Saudi donors to al-Qa'ida which included the name "Mahfouz" on a computer disk seized during a raid by the Bosnian police and U.S. security agents of the Sarajevo office of the Saudi charity, the Benevolent International Foundation (Bosanska Idealna Futura, BIF).

On 9 May 2007 CUP agreed to virtually all of the Shaykh's demands to stop sale of the book, destroy all "existing copies," prepare a letter of apology, and make a "payment to charity" for damages and contribute to legal costs. After further negotiations the press also agreed, on 20 June 2007, to request 280 libraries around the world to withdraw the book or insert an erratum slip. During these three months of negotiations Millard and I had naively assumed that, as authors, we were automatically a party to any settlement but were now informed we "are out of jurisdiction" so that CUP had to ask "whether or not they [the authors] wish to join in any settlement with your client [Mahfouz]." On 30 July 2007 Mr. Justice Eady in the London High Court accepted the abject surrender of CUP which promptly pulped 2,340 existing copies of *Alms for Jihad*, sent letters to the relevant libraries to do the same or insert an errata sheet, issued a public apology, and paid costs and damages.

The crux of this sordid and sorry saga lies firmly in the existing English libel law which is very narrow and restrictive compared to its counterpart in the United States with a long history and precedent of "good faith" protected by the First Amendment, absent in English jurisprudence. In effect, CUP was not prepared to embark on a long and very expensive litigation it could not

possibly win under English libel law in the English High Court, known to journalists the "Club Med for Libel Tourists." Laurence Harris of Kendall Freeman was quite candid. "Our client [Shaykh] Mahfouz chose to complain to Cambridge University Press about the book because the book was published in this jurisdiction by them" where he had previously threatened to "sue some 36 U.S. and U.K. publishers and authors" and in which Shaykh Mahfouz had previously won three suits for the same charges of his alleged financing of terrorism. Even Justice Eady's pious pronouncements about "the importance of freedom of speech" were of little relevance before the weight, or lack thereof, in English libel law he rigorously enforced.

This was the first time that Shaykh Mahfouz had brought suit only against the publisher that did not include the authors, for "our client [Shaykh Mahfouz] took the view that they [CUP] were likely to deal with his complaint sensibly and quickly, which they did," rather than include the authors who would not. As American authors residing in the U.S., we were "out of jurisdiction" and under the protection of the U.S. Courts, specifically the unanimous ruling by the Second U.S. Circuit Court of Appeals in June 2007 that Dr. Rachel Ehrenfeld could challenge in a U.S. Court the suit previously won against her by Shaykh Mahfouz in Justice Eady's High Court in London thereby establishing a defining precedent in U.S. jurisprudence. Dr. Ehrenfeld is the director of the American Center for Democracy in New York whose book, "Funding Evil: how terrorism is financed—and how to stop it," published by Bonus Books of Chicago in 2003, describes how Shaykh Mahfouz helped finance al-Qa'ida, Hamas, and other terrorist organizations in greater detail than "Alms for Jihad." Although her book was not sold in Britain, Shaykh Mahfouz secured British jurisdiction by demonstrating that "Funding Evil" could be purchased or read on the internet by British citizens. When she refused to defend the case in the London High Court, Justice Eady declared for the plaintiff and ordered Dr. Ehrenfeld to pay \$225,000 damages. She then chose to confront the Shaykh and seek redress in the U.S. Court system.

Millard Burr and I had adamantly refused to be a party to the humiliating capitulation by CUP and were not about to renounce what we had written. "Alms for Jihad" had been meticulously researched, our interpretations judicious, our conclusions made in good faith on the available evidence. It is a very detailed analysis of the global reach of Islamic, mostly Saudi, charities to support the spread of fundamental Islam and the Islamist state by any means necessary. When writing "Alms for Jihad" we identified specific persons, methods, money, how it was laundered, and for what purpose substantiated by over 1,000 references. I had previously warned the editor at CUP, Marigold Acland, that some of this material could prove contentious, and in March 2005 legal advisers for CUP spent a month vetting the book before going into production and finally its publication in March 2006. We were careful when writing "Alms for Jihad" not to state explicitly that Shaykh Mahfouz was funding terrorism but the overwhelming real and circumstantial evidence presented implicitly could lead the reader to no other conclusion. Court records in the case of U.S. vs. Enaam Arnaout, Director of the Benevolent International Foundation and close associate of Osama bin Laden, accepted as evidence the "Golden Chain" which the British High Court later refused as evidentiary. The Mawafaq (Blessed Relief) Foundation of Shaykh Mahfouz and its principal donor was declared by the U.S. Treasury "an al-Qaida front that

receives funding from wealthy Saudi businessmen" one of whom was the designated terrorist, Yassin al-Qadi who "transferred millions of dollars to Osama bin Laden through charities and trusts like the Muwafaq Foundation." It appears very strange that the founder of his personal charity and its major donor had no idea where or whom or for what purpose his generosity was being used.

Although the reaction to the settlement by CUP has been regarded by some, like Professor Deborah Lipstadt at Emory University, as a "frightening development" whereby the Saudis "systematically, case by case, book by book" are shutting down public discourse on terrorism and intimidating publishers from accepting manuscripts critical of the Saudis, there still remains the free exchange of ideas, opinions, and written text in the world of the internet protected by the First Amendment. Ironically, the eleven points of the Mahfouz suit against CUP amount to little more than a large footnote, a trivial fraction of the wealth of information in "Alms for Jihad" that cannot be found elsewhere. The Shaykh can burn the books in Britain, but he cannot prevent the recovery of the copyright by the authors nor their search for a U.S. publisher to reprint a new edition of "Alms for Jihad" for those who have been seeking a copy in the global market place.

PERSONAL EXPLANATION

HON. WALLY HERGER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 25, 2007

Mr. HERGER. Madam Speaker, I was unable to vote on four bills brought up under Suspension of the Rules on Monday, September 24, 2007 because of an illness.

Had I been present, I would have voted "yea" on H. Con. Res. 193, a resolution recognizing all hunters across the United States for their continued commitment to safety; "yea" on H. Res. 668, a resolution recognizing the 50th anniversary of the September 25, 1957, desegregation of Little Rock Central High School by the Little Rock Nine; "yea" on H.R. 1199, the Drug Endangered Children Act of 2007; and "yea" on H. Res. 340, a resolution expressing the sense of the House of Representatives of the importance of providing a voice for the many victims (and families of victims) involved in missing persons cases and unidentified human remains cases.

CONGRATULATING FRENCH LICK, INDIANA ON ITS SESQUICENTENNIAL

HON. BARON P. HILL

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 25, 2007

Mr. HILL. Madam Speaker, 2007 marks the 150th anniversary of the town of French Lick, Indiana. Many of my colleagues in Congress may recognize the town's name as the birthplace of one of basketball's finest, Larry Bird. But, those of us who have had the pleasure of spending time in French Lick know it for much more. I am looking forward to celebrating French Lick's Sesquicentennial with its residents this coming weekend when the festivities commence on Friday, September 28,

2007. The celebration will feature an array of events, such as the Queen's Ball, Historic Home Tours, Commemorative Post Mark, Pumpkin Festival Parade, Carnival Rides, Historic Train Rides, Time Capsule Dedication, live musical performances, art show, and golf tournament.

French Lick has a long and distinguished history. In the 1800s, as pioneers began settling the Indiana Territory, one of the few roads connecting Louisville and Vincennes was the buffalo trail through current day French Lick. Several pioneers established hotels and other business trades along the route, leading to the founding of French Lick in 1857. Some of these early residents included the likes of Dr. William Bowles, who constructed the first health resort sometime between 1840 and 1845; Charles Edward Ballard, the town's most famous entrepreneur known for his successful management of saloons and casino operations; and Ferdinand and Henry Cross, brothers whose artistic talents enriched the lives on travels to the town. Henry's work would later be used for the sketch of the buffalo on the United States nickel.

The tourist demand for French Lick's magical, health-rejuvenating water led to the construction and remodeling of the French Lick Hotel. One of the hotel's most famous owners was a resourceful entrepreneur named Thomas Taggart. Taggart, who served in several elected positions including as Mayor of Indianapolis and as a U.S. Senator, also lead the State Democratic Party beginning in 1892 and the National Democratic Party in 1905. After fire destroyed part of the original hotel, it was Taggart that expanded and rebuilt the facility with its trademark yellow brick, six story front. Thousand of travelers flocked to the new hotel as a resort destination prior to traveling to other destinations or attending popular events such as the Kentucky Derby in nearby Louisville, KY.

The mineral springs of the French Lick area brought many travelers to the region, but it was the gambling that established the Spring Valley as the leisure destination during the first half of the twentieth century. Although seen as a "victimless crime" to many, gambling was illegal and in the late 1940s raids on several casinos ended the practice in the area. The resulting loss of tourism to the area created an economic hardship in the region and the French Lick Hotel passed among several owners. It was in the late 1990s that residents of the town and surrounding region, aided by Historical Preservationist such as William Cook, began restoring the Grand Hotels of the area. Coupled with the legalization of gaming in 2003, the French Lick Springs Resort Hotel and town has returned to its formed grandeur as a resort and leisure destination.

Congratulations French Lick on this historical occasion. All Hoosiers look forward to seeing how this unique and wonderful town develops for decades to come.

PERSONAL EXPLANATION

HON. LOIS CAPPS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 25, 2007

Mrs. CAPPS. Madam Speaker, I was not able to be present for the following rollcall

votes on September 24, 2007. I would have voted as follows: Rollcall No. 891: "yea"; rollcall No. 892: "yea"; rollcall No. 893: "yea"; and rollcall No. 894: "yea".

PROTECTING EMPLOYEES AND RETIREES IN BUSINESS BANKRUPTCIES ACT OF 2007

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 25, 2007

Mr. CONYERS. Madam Speaker, the "Protecting Employees and Retirees in Business Bankruptcy Act of 2007," addresses the vast inequities in current bankruptcy law with respect to how American workers and retirees are treated, an area long-neglected by Congress.

The rights of workers and retirees have greatly eroded over the past two decades, particularly in the context of Chapter 11. Let me just cite three reasons.

First, it is no secret that certain districts in our Nation interpret the law to favor the reorganization of a business over all other priorities, including job preservation, salary protections, and other benefits. Part of the problem is that the law is simply not clear, leading to a split of authority among the circuits.

This is particularly true with respect to the standards by which collective bargaining agreements can be rejected and retiree benefits can be modified in Chapter 11. Businesses, as a result, take advantage of these venue options and file their Chapter 11 cases in employer-friendly districts. This was one of the main reasons that Delphi, a Michigan-headquartered company, filed for bankruptcy in New York.

Second, it is clear that at least some businesses use Chapter 11 to bust unions or to at least give themselves unfair leverage in its negotiations with unions. According to a recently released GAO analysis that I requested nearly 2 years ago, 30 percent of companies in the study sought to reject their collective bargaining agreements in bankruptcy. Nearly as many companies took advantage of special provisions in the Bankruptcy Code by employers that can modify retiree benefits.

Let me be specific here. What we are talking about is terminating retiree health care benefits, medical benefits, prescription drug benefits, disability benefits, and death benefits, among other protections.

And, remember that these benefits were bargained for in good faith by hardworking Americans who gave their all to their employers and now are in retirement. This is a travesty.

Third, as a result of Chapter 11's inequitable playing field, employers are able to extract major concessions from workers and retirees, while lining their own pockets. As we learned at a hearing held earlier this year by the Subcommittee on Commercial and Administrative Law, executives of Chapter 11 debtors often receive extravagant multi-million dollar bonuses and stock options, while regular workers are forced to accept drastic pay cuts or even job losses and while retirees lose hard-won pensions and health benefits.

As many of you know, the Ford Motor Company reported a record \$12.7 billion loss for last year. But what many of you may not know

is that Ford paid \$28 million to its new CEO, Alan Mulally, in his first 4 months on the job. This disclosure comes as companies like Ford, General Motors, and DaimlerChrysler are in the midst of negotiations with unions to obtain concessions and labor cost savings when their current contracts end in this month.

A factor that will likely be present at the bargaining table is the threat of a potential Chapter 11 filing. As many of you know, the United Auto Workers yesterday announced a strike at General Motors principally because GM wants to shed more than \$50 billion in future health care benefits for retirees.

We need to restore the level playing field that the drafters of Chapter 11 originally envisioned and to ensure that workers and retirees receive fair treatment when their company is in bankruptcy. It is time that we include the interests of working families in the bankruptcy law and consider how we can add a measure of fairness to a playing field that is overwhelmingly tilted against workers.

My bill addresses these problems by:

Increasing the amount by which unpaid wage and employee benefit claims would be entitled to payment priority;

Creating a more level playing field for employees in Chapter 11 cases where employers want to terminate jobs, reduce wages, reject collective bargaining agreements, and terminate medical benefits for retirees;

Prohibiting companies in bankruptcy from paying lavish performance bonuses and incentive compensation to key management; and

Ensuring that the bankruptcy judges have clear statutory guidance that the purpose of Chapter 11 is—to the greatest extent possible—maximize assets so as to preserve jobs.

I will urge prompt consideration of this legislation by the Subcommittee on Commercial and Administrative Law and further proceedings by the House Judiciary Committee.

EQUITY FOR OUR NATION'S SELF-EMPLOYED ACT OF 2007

HON. WALLY HERGER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 25, 2007

Mr. HERGER. Madam Speaker, with nearly 47 million uninsured in America, rising health care costs, and a federal health entitlement system that is simply unsustainable in the long run, America is truly on the verge of a health crisis. Yet despite the looming fiscal insolvency of Medicare and other challenges facing U.S. health care, Congress is preparing now to approve one of the largest expansions of government health care in decades. Mr. Speaker, we must change course in today's debate, and address the root problems facing our health system. And true change can be achieved only through working together on a bipartisan level.

It is for this very reason that I am pleased to join with my colleague from the other side of the aisle, Representative RON KIND of Wisconsin, in introducing truly collaborative, bipartisan legislation that would help expand health coverage to millions of currently uninsured American taxpayers. Our legislation, the "Equity for Our Nation's Self-Employed Act of 2007," would correct an inequity that currently